



Ministry
of
Revenue

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Retail Sales Tax Branch

Information Bulletin

Retail Sales Tax Act

Government
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Pour obtenir cette publication en français, veuillez communiquer avec votre bureau régional de la Taxe de vente au détail.

This bulletin provides information to vendors on impending changes in the administrative procedures and The Regulations under The Retail Sales Tax Act.

The information in this bulletin has been condensed from The Retail Sales Tax Act and Regulations. For greater certainty in specific applications reference should be made to these sources.

Specific details on any of the topics discussed and additional copies of this bulletin may be obtained from your local Retail Sales Tax District Office, listed overleaf.

INFORMATION HIGHLIGHTS

- EXEMPT PURCHASES — STATUS INDIANS ON RESERVES
- EQUALIZATION OF INTEREST RATES AT 12%
- EXEMPTION — PRINTED INSTRUCTIONS FOR KNITTING AND CROCHETING
- NON-TOBACCO CIGARETTES
- NOTIFICATION OF BUSINESS CHANGE
- NUMBER OF FILING PERIODS REDUCED
- TAX BANKING



EXEMPT PURCHASES — STATUS INDIANS ON RESERVES

Effective September 1, 1980 status Indians on reserves will find it easier to obtain the exemption from tax provided for them in The Retail Sales Tax Act on their purchases of personal goods.

Currently, purchases of goods off a reserve, by a status Indian, for use on a reserve, are exempt from retail sales tax if the goods are delivered to a reserve by the vendor or the vendor's agent. As a result of this delivery requirement, some status Indians have not been able to obtain the full benefit of the exemption.

After August 31, 1980 the requirement for delivery of goods to a reserve by the vendor or his agent will be modified. A status Indian on a reserve will be able to purchase and take possession of personal goods off a reserve, exempt from retail sales tax. In order to obtain the exemption he will identify himself to the vendor by use of his Federal Identification Card.

The vendor will record the Federal Identification Card number, and the name and address of the Indian on the sale document or in a book, journal or diary form, along with the sales amount and a brief description of the goods sold. This enables the vendor to show that he was not required to collect tax on the sale.

As a temporary measure, while he awaits the issue of his Federal Identification Card, a status Indian may use a letter issued by his Band Council as a means of identification. This letter will show the name, address, number of the status Indian, and Band name.

There are some purchases by a status Indian which, by their very nature are entirely consumed off the reserve, and are taxable. Examples are:

- Prepared meals in excess of \$6.00
- Price of admission in excess of \$3.50
- Personal goods for premises maintained off a reserve.



A specimen of a Federal Identification Card is illustrated:

Indian and Northern Affairs Affaires indiennes et du Nord		CERTIFICATE OF INDIAN STATUS CERTIFICAT DE STATUT D'INDIEN	
THIS IS TO CERTIFY THAT — LA PRESENTE ATTESTE QUE			
DISTRICT			
BAND — BANDE		NO. — NO	
IS AN INDIAN WITHIN THE MEANING OF THE INDIAN ACT, CHAPTER 1-6 REVISED STATUTES OF CANADA, 1970		EST UN INDIEN AU SENS DE LA LOI SUR LES INDIENS, CHAPITRE 1-6 DES STATUTS REVISES AU CANADA, 1970	
D25731		BAND MANAGER/DISTRICT SUPERVISOR GERANT DE BANDE/SURVEILLANT DE DISTRICT	
DATE OF BIRTH DATE DE NAISSANCE		SEX-SEXE	HEIGHT-TAILLE
MARITAL STATUS STATUT MATRIMONIAL		HAIR-CHEVEUX	WEIGHT-POIDS
COMPLEXION-TEINTE		EYES-YEUX	DATE OF ISSUE DATE DE DELIVRANCE
SCARS, BIRTHMARKS, AMPUTATIONS CICATRICES, TACHES DE NAISSANCES, AMPUTATIONS			
SPECIMEN SIGNATURE - SIGNATURE DU TITULAIRE			
FINDER PLEASE RETURN, POSTAGE FREE, TO DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOP- MENT, OTTAWA.		QUICONQUE TROUVE LE PRESENT CERTIFICAT EST PRIE DE LE RETOUR- NER, FRANC DE PORT, AU MINISTÈRE DES AFFAIRES INDIENNES ET DU NORD CANADIEN.	
1A-238 (6-72) 7530-21-023-3673			

A status Indian may still arrange for purchases made off a reserve to be delivered by the vendor to the Indian on the reserve. In this case, the vendor will be able to show that retail sales tax does not apply on such sales if they are supported by duly signed delivery slips or bills of lading.



EQUALIZATION OF INTEREST RATES AT 12%

Interest rates allowed on overpayments and rebates for taxes administered by the Ministry of Revenue are being increased to match the interest rates charged on taxes overdue. To equalize these rates, a uniform interest rate of 12% has been established. The new uniform rate of 12% takes effect on August 1, 1980 for all taxes, except corporations tax which is effective October 1, 1980 and provincial land tax which will be effective at a later date.

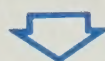
The equalizing of rates ensures taxpayers of the same rate of return on their money as they are obliged to pay for any tax indebtedness. Details of these changes from the old rates to the new equalized rate of interest are as follows:

Interest Payable by the Retail Sales Tax Branch

	TO JULY 31, 1980	ON AND AFTER AUGUST 1, 1980
Refunds for tax paid in error	6%	12%
Rebates of tax as prescribed by Regulations	6%	12%
Refunds to appellants on successful objection or appeal	9%	12%

Interest Due to the Retail Sales Tax Branch

	TO JULY 31, 1980	ON AND AFTER AUGUST 1, 1980
Underpayment of taxes	9%	12%



NOTIFICATION OF BUSINESS CHANGE

At the time of initial registration with the Retail Sales Tax Branch, the information provided by a vendor includes:

- the name of the business
- the name(s) of the owner(s) of the business
- the business address.

Should any of the information change, the vendor should notify the Retail Sales Tax Branch of the change and of its effective date. For this purpose, a "Notification of Change" form is usually enclosed with every return card mailed out to a vendor.

Vendors are asked to use the "Notification of Change" form as the need arises. This will assist the Retail Sales Tax Branch in keeping up-to-date on any changes a vendor may make in the business name, address, or ownership.



NUMBER OF FILING PERIODS REDUCED

Important changes affecting the filing of sales tax returns which will be of particular value to small businesses are now being introduced.

These changes may allow many small businesses to file fewer returns in future. Businesses which qualify are being notified of the effective date of the change and their new filing frequency.

Your local District Office will be pleased to supply you with additional information on this change and how you will be affected.



EXEMPTION — PRINTED INSTRUCTIONS FOR KNITTING AND CROCHETING

Purchases of patterns to be used for the making of clothing or wearing apparel are exempt from retail sales tax. Instructions for knitting and crocheting of clothing or wearing apparel are also exempt since they are included in the category of "patterns".

If a knitting or crocheting instruction book is for products other than clothing or wearing apparel, its tax status would have to be considered under the category of "books". As a book, it would remain exempt from tax provided it is printed and bound and contains no advertising by persons other than the publisher of the book.



TAX BANKING

Remitting payments through the banking system for accounts owing is becoming common practice, due to its convenience and the savings in mailing costs.

As a convenience to vendors, the Retail Sales Tax Branch has made arrangements enabling vendors to file retail sales tax returns and make their payments at local chartered banks.

There is no charge to the vendor for the use of this service. The vendor completes a two-part retail sales tax return and delivers it and the accompanying payment to his bank. The bank receipts the upper half of the return, which is given back to the vendor for his records, and forwards the lower half to the Retail Sales Tax Branch.

The other means of payment, personal delivery to any District Office of the Retail Sales Tax Branch or directly to the Branch through the mail, are still available. A vendor may use the option that is most convenient for him.



NON-TOBACCO CIGARETTES

Retail sales tax does not apply to the use of tobacco products which are taxed under The Tobacco Tax Act. However, cigarettes made of ingredients other than tobacco periodically appear on the market. Retail sales tax at the rate of 7% is payable on the use of these non-tobacco cigarettes.

Since both types of product will likely be displayed and sold together, retailers are reminded of the necessity of collecting retail sales tax on the non-tobacco cigarettes.

FOR FURTHER INFORMATION CONSULT THE DISTRICT OFFICE IN YOUR AREA,
AS LISTED BELOW:

BELLEVILLE K8N 1E3	208 Dundas Street East 962-9108 Zenith 71820	ORILLIA L3V 6K5	19 Front Street North P.O. Box 670 325-9587 Zenith 71830	TORONTO M4P 1H6	2300 Yonge St. 10th Floor 487-7161 Zenith 71800
HAMILTON L8P 1B4	361 King Street West 528-8393 Zenith 71440	OTTAWA K1H 8K7	1355 Bank Street 523-9760 Zenith 71400	WELLAND L3B 3Z7	76 Division Street 732-1318 (in St. Catharines and Niagara Falls, call 688-1360 or 688-1368)
KITCHENER N2M 1N2	449 Belmont Ave. W. 576-8400 Zenith 71020	SUDBURY P3E 5M7	Ontario Gov't. Building 199 Larch St. 675-4351 Zenith 71850		Zenith 71410
LONDON N6C 4P4	310 Wellington Rd. 433-3901 Zenith 62350		435 James Street South P.O. Box 5000 Ontario Government Bldg. 475-1681 Zenith 72310	WINDSOR N9A 6V9	250 Windsor Ave. 252-4404 Zenith 71450
NORTH BAY P1B 2H3	1500 Fisher Street Northgate Plaza 474-4900 Toll Free 1-800-461-1564 Zenith 71420	THUNDER BAY P7C 5G6			